



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

March 30, 2017

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 8120-002-0903, Support, and Item 8120-102-0903, Local Assistance, Commission on Peace Officer Standards and Training

It is requested that Item 8120-002-0903 be decreased by \$4 million and Item 8120-102-0903 be increased by \$4 million to appropriately align funding for reimbursements provided to local law enforcement agencies for training activities. It is also requested that provisional language be added to earmark funds for training provided by the Museum of Tolerance (see Attachment 1). This language was inadvertently omitted in the 2017-18 Governor's Budget. These changes are necessary to adjust the Commission on Peace Officer Standards and Training's budget as part of the State Penalty Fund redistribution plan.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Clint Kellum, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 5
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Manny Alvarez, Executive Director, Commission on Peace Officer Standards and Training
Mr. Dave Cornejo, Assistant Executive Director, Administrative Services Division, Commission on
Peace Officer Standards and Training

Add the following provision to Item 8120-002-0903:

3. Of the amount appropriated in this item, \$1,556,000 shall be used for contractual services in support of the "Tools of Tolerance" training program for law enforcement personnel operated by the Simon Wiesenthal Center-Museum of Tolerance. These contractual services shall only be used to provide training services to Commission on Peace Officer Standards and Training participating law enforcement agencies. Upon approval by the Department of Finance, funds may be transferred between this item and Item 8120-102-0903 to meet the needs of local training programs provided by Simon Wiesenthal Center-Museum of Tolerance. The transfer shall not reduce the total amount spent on training programs provided by Simon Wiesenthal Center-Museum of Tolerance by the Commission on Peace Officer Standards and Training. Upon requesting a transfer, the department shall provide justification for the increased expenditure in the item to which funds are transferred and the availability of excess funds in the item from which funds are transferred.

Add the following provision to Item 8120-102-0903:

2. Of the amount appropriated in this item, \$444,000 shall be used for allocation to cities, counties and cities and counties for the "Tools of Tolerance" training program for law enforcement personnel operated by the Simon Wiesenthal Center-Museum of Tolerance. Eligibility to receive funds appropriated for this purpose is limited to Commission on Peace Officer Standards and Training participating law enforcement agencies. At the discretion of the head of the law enforcement agency seeking reimbursement for this purpose, both sworn and nonsworn personnel who have contact with the public shall be eligible for reimbursement; however, priority should be given to sworn officers. To the extent funds are available after reimbursing the aforementioned personnel, peace officers employed by state law enforcement or correctional agencies shall be eligible to attend this training and receive reimbursement. Upon approval by the Department of Finance, funds may be transferred between this item and Item 8120-002-0903 to meet the needs of local training programs provided by Simon Wiesenthal Center-Museum of Tolerance. The transfer shall not reduce the total amount spent on training programs provided by Simon Wiesenthal Center-Museum of Tolerance by the Commission on Peace Officer Standards and Training. Upon requesting a transfer, the department shall provide justification for the increased expenditure in the item to which funds are transferred and the availability of excess funds in the item from which funds are transferred.



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March 30, 2017

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Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to and Addition of Various Budget Bill Items, Support, California Public Utilities Commission

Deputy Executive Director for Safety—It is requested that various items be increased in the amount of \$191,000 and 1 position, as follows:

- Increase Item 8660-001-0042 by \$7,000
- Increase Item 8660-001-0046 by \$11,000
- Increase Item 8660-001-0412 by \$4,000
- Increase Item 8660-001-0461 by \$20,000
- Increase Item 8660-001-0462 by \$131,000, and 1 position
- Increase Item 8660-001-0464 by \$1,000
- Increase Item 8660-001-0470 by \$1,000
- Increase Item 8660-001-0471 by \$3,000
- Increase Item 8660-001-0483 by \$2,000
- Increase Item 8660-001-0493 by \$2,000
- Increase Item 8660-001-0890 by \$7,000
- Increase Item 8660-001-3141 by \$2,000

It is also requested that trailer bill language be adopted to codify the Deputy Executive Director for Safety and Chief Internal Auditor positions. These changes are necessary to implement the Governor's 2016 signing message for a set of chaptered Public Utilities Commission (Commission) reform bills.

Federal Trust Fund Realignment to Authorize Spending of Federal Transit Administration Formula Grant Award—It is also requested that Item 8660-001-0890 be increased by \$2,664,000 to reflect receipt of a federal grant award. The grant will support Commission oversight of public rail transit system safety. The Commission is the federally designated State Safety Oversight Agency, and funding supports inspectors and engineers conducting safety inspections of track, vehicles, signals, train controls, and operations, as well as triennial safety audits.

It is further requested that provisional language be added to provide a two-year encumbrance period (see Attachment 1). This language is necessary to provide flexibility to the Commission to spend federal money over the course of the federal fiscal year, which runs through September 30, three months beyond the end of the state fiscal year.

Reappropriation—It is requested that Item 8660-490 be added to reappropriate funds for following purposes (see Attachment 2):

- Realigning current year expenditure authority from various funds for the development of an Information Technology eFiling Administration Support (eFAST) platform and related business configurations to comport with revised project plans that have been restructured to accommodate delays and other risks.
- Contracting for legal services with outside counsel representing the Commission in Federal Energy Regulatory Commission proceedings to recoup California ratepayer money on excessively priced electricity sales in California during the 2000-01 energy crisis.
- Obtaining consulting services to examine incumbent local exchange carrier service quality. The reappropriation of up to \$500,000 will be reimbursed by the incumbent local exchange carriers.

Extended Encumbrance Period for eFAST—It is requested that provisional language be added to various items to provide an extended encumbrance period to June 30, 2021, as follows, for the eFast information technology project (see Attachment 3):

- Up to \$58,000 in Item 8660-001-0042
- Up to \$94,000 in Item 8660-001-0046
- Up to \$35,000 in Item 8660-001-0412
- Up to \$163,000 in Item 8660-001-0461
- Up to \$1,077,000 in Item 8660-001-0462
- Up to \$5,000 in Item 8660-001-0464
- Up to \$4,000 in Item 8660-001-0470
- Up to \$21,000 in Item 8660-001-0471
- Up to \$19,000 in Item 8660-001-0483
- Up to \$20,000 in Item 8660-001-0493
- Up to \$63,000 in Item 8660-001-0890
- Up to \$306,000 in Item 8660-001-3089
- Up to \$19,000 in Item 8660-001-3141

This language is necessary to realign budget year expenditure authority from various funds for the development of the eFAST platform and related business configurations to comport with revised project plans that have been restructured to accommodate delays and other risks.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

Attachment

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Tim Sullivan, Executive Director, California Public Utilities Commission
Mr. Ryan Dulin, Deputy Executive Director, California Public Utilities Commission
Ms. Hazel Miranda, Office of Governmental Affairs, California Public Utilities Commission
Ms. Wendy Gavia, Budget and Fiscal Services Office, California Public Utilities Commission

Add the following provision to Item 8660-001-0890:

1. Notwithstanding subdivision (a) of Section 1.80, funds appropriated in Schedule (2) shall be available for encumbrance or expenditure until June 30, 2019.

8660-490—Reappropriation, Public Utilities Commission. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in the appropriations and subject to the limitations, unless otherwise specified, and shall be made available for encumbrance or expenditure as specified:

0042—State Highway Account, State Transportation Fund

(1) Up to \$46,000 in Item 8660-001-0042, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

0046—Public Transportation Account, State Transportation Fund

(1) Up to \$74,000 in Item 8660-001-0046, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

0412—Transportation Rate Fund

(1) Up to \$28,000 in Item 8660-001-0412, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

0461—Public Utilities Commission Transportation Reimbursement Account

(1) Up to \$128,000 in Item 8660-001-0461, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

0462—Public Utilities Commission Utilities Reimbursement Account

(1) Item 8660-001-0462, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.), as reappropriated by Item 8660-490, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), Item 8660-490, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), Item 8660-490, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014), and Item 8660-490, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015), available for liquidation of encumbrances until June 30, 2020

(2) Up to \$849,000 in Item 8660-001-0462, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

(3) Up to \$500,000 in Item 8660-001-0462, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2018

(5) 6680073-Communications

(7) Reimbursements to 6680073-Communications

0464—California High-Cost Fund-A Administrative Committee Fund

(1) Up to \$4,000 in Item 8660-001-0464, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

0470—California High-Cost Fund-B Administrative Committee Fund

(1) Up to \$3,000 in Item 8660-001-0470, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

0471—Universal Lifeline Telephone Service Trust Administrative Committee Fund

(1) Up to \$16,000 in Item 8660-001-0471, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

0483—Deaf and Disabled Telecommunications Program Administrative Committee Fund

(1) Up to \$15,000 in Item 8660-001-0483, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

0493—California Teleconnect Fund Administrative Committee Fund

(1) Up to \$15,000 in Item 8660-001-0493, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

0890—Federal Trust Fund

(1) Up to \$49,000 in Item 8660-001-0890, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

3089—Public Utilities Commission Ratepayer Advocate Account

(1) Up to \$241,000 in Item 8660-001-3089, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

3141—California Advanced Services Fund

(1) Up to \$15,000 in Item 8660-001-3141, Budget Act of 2016 (Ch. 23, Stats. 2016), until June 30, 2021

Add the following provision to Item 8660-001-0042:

1. Notwithstanding subdivision (a) of Section 1.80, up to \$58,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-0046:

1. Notwithstanding subdivision (a) of Section 1.80, up to \$94,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-0412:

1. Notwithstanding subdivision (a) of Section 1.80, up to \$35,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-0461:

1. Notwithstanding subdivision (a) of Section 1.80, up to \$163,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-0462:

2. Notwithstanding subdivision (a) of Section 1.80, up to \$1,077,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-0464:

1. Notwithstanding subdivision (a) of Section 1.80, up to \$5,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-0470:

1. Notwithstanding subdivision (a) of Section 1.80, up to \$4,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-0471:

1. Notwithstanding subdivision (a) of Section 1.80, up to \$21,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-0483:

1. Notwithstanding subdivision (a) of Section 1.80, up to \$19,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-0493:

1. Notwithstanding subdivision (a) of Section 1.80, up to \$20,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-0890:

2. Notwithstanding subdivision (a) of Section 1.80, up to \$63,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-3089:

2. Notwithstanding subdivision (a) of Section 1.80, up to \$306,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.

Add the following provision to Item 8660-001-3141:

1. Notwithstanding subdivision (a) of Section 1.80, up to \$19,000 of the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2021.



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March 30, 2017

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment Budget Bill Items 8940-001-0001, 8940-001-0890, and 8940-001-3085, and
Addition of Trailer Bill Language, Support, California Military Department**

State Active Duty Compensation Alignment—It is requested that the California Military Department budget be increased by \$1,237,000 to align the pay of State Active Duty employees to the pay of their counterparts on federal active duty. This request requires changes to the following items:

- Increase Item 8940-001-0001 by \$541,000, and reimbursements by \$23,000
- Increase Item 8940-001-0890 by \$651,000
- Increase Item 8940-001-3085 by \$22,000

Military Department Workers' Compensation Fund—It is requested that trailer bill language be added to establish a special fund for the purpose of paying workers' compensation claims for federally funded employees. The fund would be supported by a one-time transfer of \$4.5 million of federal funds and ongoing authority, from federal transfers, to keep the balance of the fund at \$4.5 million. Suggested trailer bill language is attached (see Attachment 1).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Mark Tollefson, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 5
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Colonel Ron Vestman, Comptroller, California Military Department
Mr. Ajit Bindra, Budget Officer, California Military Department

Section 329 is added to the Military and Veterans Code as follows:

329. The Military Department Workers' Compensation Fund is hereby created within the State Treasury. The fund is continuously appropriated for the purposes of subdivision (a).

(a) The fund shall be expended for workers' compensation claims for personnel within the California Military Department that are wholly or partially reimbursed by the federal government.

(b) The fund may receive and deposit any moneys received from the federal government for the sole purpose of workers' compensation claims of current employees or service members.

(c) Moneys in the fund may only be expended by the California Military Department for workers' compensation claims.



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March 30, 2017

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Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 8940-301-0660, and Addition of Item 8940-491,
Capital Outlay, California Military Department**

Southern Region Emergency Operations Center Replacement, Los Alamitos—

Construction—It is requested that Item 8940-301-0660 be increased by \$24,705,000 for the construction phase of this project (see Attachment 1). This project will provide an Emergency Operations Center in Los Alamitos, which will allow for coordinated response efforts between federal agencies, state agencies, and local partners in the critical Southern California region.

Sustainable Armory Renovation Program and the Discovery Academy Youth Challenge

Program—It is requested that Item 8940-491 be added to reappropriate funds for the performance criteria and design-build phases of the Eureka, Escondido, and Santa Cruz Armory renovations and the Discovery Academy Youth Challenge Program Dining Facility in Stockton (see Attachment 2). It is also requested that provisional language be added to allow these projects to proceed utilizing the design-build project delivery method.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Sally Lukenbill, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

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Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 5
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Colonel Robert A. Spano, Director, Joint Staff and Chief of Staff, California Military
Department
Colonel Darrin Bender, Director, Government Affairs, California Military Department
Colonel Frank D. Emanuel, Director, Facilities and Infrastructure Directorate, California
Military Department

"8940-301-0660—For Capital Outlay, Military Department, payable from the Public Buildings Construction Fund Account.....	146,549,000 <u>171,254,000</u>
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Schedule:

(1) 0000615-Sacramento: Consolidated Headquarters Complex— Design-Build.....	146,549,000
(2) <u>0000981-California Military Department, Los Alamitos: Southern Region Emergency Operations Center Replacement— Construction.....</u>	 <u>24,705,000</u>

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the project authorized by this item.
2. The Military Department and the State Public Works Board are authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled project.
3. Neither the State Public Works Board nor the Department of Finance shall be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any action, approval or authorization provided with respect to the project authorized in this item. This provision does not exempt the Military Department Board from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.
4. The Military Department shall be a Department as defined in Public Contract Code section 10187.5(c) for procuring the contract(s) for the design build delivery process for the project authorized in Schedule (1) of this item."

8940-491—Reappropriation, California Military Department. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2020:

0001—General Fund

(1) Item 8940-301-0001, Budget Act of 2016 (Ch. 23, Stats. 2016)

- (3) 0000917-Sustainable Armory Renovation
Program: Eureka—Performance criteria and design-build
- (4) 0000918-Sustainable Armory Renovation
Program: Escondido—Performance criteria and design-build
- (5) 0000919-Sustainable Armory Renovation
Program: Santa Cruz—Performance criteria and design-build

0890—Federal Trust Fund

(2) Item 8940-301-0890, Budget Act of 2016 (Ch. 23, Stats. 2016)

- (1) 0000917-Sustainable Armory Renovation
Program: Eureka—Performance criteria and design-build
- (2) 0000918-Sustainable Armory Renovation
Program: Escondido—Performance criteria and design-build
- (3) 0000919-Sustainable Armory Renovation
Program: Santa Cruz—Performance criteria and design-build

0604—Armory Fund

(3) Item 8940-301-0604, Budget Act of 2016 (Ch. 23, Stats. 2016)

- (1) 0000919-Sustainable Armory Renovation
Program: Santa Cruz—Performance criteria and design-build

Provisions:

1. The Military Department shall be a Department as defined in Public Contract Code section 10187.5(c) for procuring the contract(s) for the design build delivery process for the projects authorized in this item.



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March 30, 2017

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Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Addition of Budget Bill Items 8955-301-0890, 8955-310-0668, and 8955-495, Capital Outlay, Department of Veterans Affairs

It is requested that Item 8955-495 be added to revert the unencumbered balance of the funds reappropriated in fiscal year 2016-17 for the following projects (see Attachment 1). It is also requested that Item 8955-310-0668 be added in the amount of \$10,553,000 (see Attachment 2), and that Item 8955-301-0890 be added in the amount of \$23,948,000 (see Attachment 3). These projects were originally appropriated in 2011, but had difficulty proceeding due to contracting issues and design delays related to the complexity of the projects. In February 2017, the Department of General Services provided updated cost analyses for these projects, which identified budget deficiencies resulting from increased costs and the current conditions in the construction services market in Napa County. This request incorporates the updated cost estimates for the projects listed below.

- **Veterans Home of California, Yountville: Steam Distribution System Renovation—Working Drawings and Construction**—This request will revert the unexpended balance of the original appropriations of approximately \$6.9 million (\$2.8 million lease revenue bond funds and \$4.1 million federal funds) reappropriated in 2016-17 for the working drawings and construction phases of this project. This request will also add \$14,164,000 (\$6,232,000 lease revenue bond funds and \$7,932,000 federal funds) for the working drawings and construction phases of this project. This request will allow the project to proceed to the construction phase in September 2019. Project completion is anticipated by September 2020.
- **Veterans Home of California, Yountville: Chilled Water Distribution System Renovation—Construction**—This request will revert the unexpended balance of the original appropriations of approximately \$5.4 million (\$1.7 lease revenue bond funds and \$3.7 federal funds) reappropriated in 2016-17 for the construction phase of this project. This request will also add \$10,957,000 (\$4,321,000 lease revenue bond funds and \$6,636,000 federal funds) for the construction phase of this project. This request will allow the project to proceed to the construction phase in January 2018. Project completion is anticipated by April 2019.

- **Veterans Home of California, Yountville: Central Power Plant Upgrade—Construction**—This request will add \$9,380,000 federal funds for the construction phase of this project. In addition to this amount, approximately \$5.5 million will be used for this project from the continuously appropriated Veterans' Homes Fund, authorized by Military and Veterans Code section 1104.2. This request will allow the project to proceed to the construction phase in April 2018. Project completion is anticipated by August 2019.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Sally Lukenbill, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Sue Kane, Deputy Secretary, Administrative Services, California Department of Veterans Affairs
Mr. David Gerard, Assistant Deputy Secretary, Capital Assets and Facilities Management, California Department of Veterans Affairs
Ms. Patty Ingram, Budget Officer, California Department of Veterans Affairs

8955-495—Reversion, Department of Veterans Affairs. As of June 30, 2017, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0890—Federal Trust Fund

- (1) Item 8955-301-0890, Budget Act of 2013 (Ch. 20, Stats. 2013), as reappropriated by Item 8955-493, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015), and Item 8955-490, Budget Act of 2016 (Ch. 23, Stats. 2016)

- (1) 80.30.101-Yountville: Chilled Water Distribution System Renovation—Construction

- (2) 80.30.102-Yountville: Steam Distribution System—Construction

0668—Public Buildings Construction Fund Subaccount

- (1) Item 8955-310-0668, Budget Act of 2011 (Ch. 33, Stats. 2011), as reappropriated by Item 8955-494, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015), and Item 8955-491, Budget Act of 2016 (Ch. 23, Stats. 2016)

- (1) 80.30.101-Yountville: Chilled Water Distribution System Renovation—Construction

- (2) 80.30.102-Yountville: Steam Distribution System Renovation—Working drawings and construction

8955-310-0668—For capital outlay, Department of Veterans Affairs, payable from Public Buildings Construction Fund Subaccount	10,553,000
(1) 0000624-Veterans Home of California, Yountville: Chilled Water Distribution System Renovation—Construction.....	4,321,000
(2) 0000626-Veterans Home of California, Yountville: Steam Distribution System Renovation—Working drawings and construction.....	6,232,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the project authorized by this item.
2. The Department of Veterans Affairs and the State Public Works Board are authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled project.
3. Neither the State Public Works Board nor the Department of Finance shall be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any action, approval or authorization provided with respect to the project authorized in this item. This provision does not exempt the Department of Veterans Affairs Board from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.

8955-301-0890—For capital outlay, Department of Veterans Affairs, payable from
the Federal Trust Fund..... 23,948,000

- (1) 0000624-Veterans Home of California, Yountville: Chilled Water
Distribution System Renovation—Construction..... 6,636,000
- (2) 0000626-Veterans Home of California, Yountville: Steam
Distribution System Renovation—Construction..... 7,932,000
- (3) 0000623-Yountville: Central Plant Upgrade—Construction..... 9,380,000